

Golden Leaf Announces Signing of Definitive Agreements to Acquire, and Closing of, Acquisition of Chalice Farms in Oregon

TORONTO, ONTARIO--(Marketwired – July 10, 2017) – Golden Leaf Holdings Ltd. (“GLH” or the “Company”) (CSE:GLH) (OTCQB:GLDFF), a leading cannabis oil solutions company built around recognized brands, is pleased to announce that it has entered into definitive agreements in connection with and the closing of its previously announced acquisition (the “Acquisition”) of the business of Chalice LLC (“Chalice Farms”), a leading vertically integrated cannabis company in Oregon.

Pursuant to the Acquisition, GLH has acquired all of the issued and outstanding membership interests of CFA Retail, LLC and all of the assets of CFA Productions, LLC, each a wholly-owned subsidiary of Chalice Farms. In connection with the Acquisition, the vendors will receive consideration from GLH comprised of, (i) US\$19.25 million in cash and (ii) 83,418,687 common shares of the Company (“Common Shares”). In addition, Chalice Farms will also receive an amount equal to 1.25 times the revenues of the businesses being acquired for the year-ended December 31, 2017 payable in cash or Common Shares, subject to an obligation to pay in cash in certain circumstances. Following completion of the Acquisition, the former owners of Chalice Farms will collectively own approximately 28% of the outstanding Common Shares of the Company. In connection with the closing of the Acquisition, William Simpson of Chalice Farms has also been appointed President of GLH.

AC Group Financial Inc. is acting as an advisor to the Company in connection with the Acquisition and the three other previously announced acquisitions being undertaken by the Company.

Further to GLH’s previously announced strategic acquisition program, the closing of the Acquisition is expected to drive financial and shareholder value. Chalice Farms is a leading vertically integrated cannabis business in Oregon, involved with the cultivation, extraction, refinement, marketing and sales of cannabis flower, edibles and oils. Chalice Farms has developed a branded portfolio of cannabis products that have generated significant market penetration and brand equity within the Oregon market.

In addition, Chalice Farms operates a chain of four branded retail dispensary stores in Oregon and was recently dubbed “Cannabis Store of the Year” at the 2017 Dope Magazine Industry Awards in Oregon.

The Acquisition is expected to provide strategic benefits to GLH, including:

- Brand Expansion and Distribution
 - Leverages Chalice Farms footprint to increase GLH branded product sales
 - Chalice Farms branded products strengthen and broaden GLH’s brand portfolio

- Leading Retail Dispensary Chain
 - Provides GLH with a market leading dispensary position in Oregon

- Establishes a consolidation platform for expansion within Oregon, Washington, the remainder of the U.S. and Canada
- Synergy Opportunity
 - Integration of the two companies allows for increased revenues with reduced costs as a result of synergistic efficiencies

Don Robinson, CEO of GLH, commented, “With a strong branded platform that includes flower, edibles and oil products in addition to an established leading retail dispensary chain, the acquisition of Chalice Farms brings real strategic and financial value to GLH and our shareholders. We look forward to progressing with the integration of the two companies and the expected strategic benefits.”

About Golden Leaf Holdings:

Golden Leaf Holdings Ltd. is one of the largest cannabis oil and solution providers in North America. It's a leading cannabis products company in Oregon built around recognized brands. GLH leverages a strong management team with cannabis and food industry experience to complement its expertise in extracting, refining and selling cannabis oil.

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management, future business goals and the anticipated benefits of the Acquisition. Generally, forward looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to general business, economic and competitive uncertainties, regulatory risks including risks related to the expected timing of the Company's participation in the Adult Use market, market risks, risks inherent in manufacturing operations and other risks of the cannabis industry. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking information. Forward-looking information is provided herein for the purpose of presenting information about management's current expectations relating to the future and readers are cautioned that such information may not be appropriate for other purpose. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws. This Release does not constitute an offer of securities for sale in the United States, and such securities may not be offered or sold in the United States absent registration or an exemption from registration.